

Message Text

PAGE 01 STATE 191063

71

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INFO OCT-01 AF-08 EUR-12 IO-13 ISO-00 PRS-01 H-02 SSM-03

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DRAFTED BY NEA/P:RONEILL:DP
APPROVED BY NEA/P:GFSHERMAN
S/PRS - MR. FUNSETH (INFO)
H - MR. FLATEN (INFO)
EUR/P - MR. JERABEK
IO/P - MR. BLACHLY
SSM - MR. MCANDREW
NEA/ARP - MR. DICKMAN
AF/P - MR. POPE
NEA - MS. GRIFFIN

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FM SECSTATE WASHDC
TO AMEMBASSY AMMAN IMMEDIATE
AMEMBASSY BEIRUT IMMEDIATE
AMEMBASSY DAMASCUS IMMEDIATE
AMEMBASSY CAIRO IMMEDIATE
AMEMBASSY TEL AVIV IMMEDIATE
AMEMBASSY JIDDA IMMEDIATE
AMEMBASSY ALGIERS
USMISSION GENEVA
AMEMBASSY KUWAIT
AMCONSUL DHAHRAN
AMCONSUL JERUSALEM
AMEMBASSY KHARTOUM
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PAGE 02 STATE 191063

AMEMBASSY PARIS
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USINT BAGHDAD
AMEMBASSY DOHA
AMEMBASSY ABU DHABI
AMEMBASSY NOUAKCHOTT
AMEMBASSY MOGADISCIO
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CINCEUR

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GENEVA FOR MEPC DEL, CINCEUR FOR POLAD

E.O. 11652: N/A

TAGS: PFOR

SUBJECT: DEPARTMENT PRESS BRIEFING - AUGUST 2, 1976:

FOR YOUR INFORMATION AND GUIDANCE FOLLOWING ARE EXCERPTS
FROM DEPARTMENT SPOKESMAN'S PRESS BRIEFING FOR AUGUST 2,
1976:

Q. ON THIS STATEMENT ON ARMS SALES POLICY TO IRAN. THE
STATEMENT SAYS THAT IRAN'S ORDERS OR REQUESTS ARE CONTINU-
ALLY UNDER REVIEW, WHETHER OR NOT NEW FORMAL POLICY PAPERS
ARE PREPARED, EACH PURCHASE WAS REVIEWED, AND SO ON. ANY
ORDERS EVER CUT OR TURNED DOWN OR REFUSED?

A. I CANNOT ANSWER THAT QUESTION, AND IT IS HARD FOR ME TO
SPECULATE. BUT IN THE NORMAL TRAIN OF THINGS, FREQUENTLY
INDICATIONS OF INTEREST ON PURCHASES BY ANY COUNTRY FIRST
ARE SUBJECT TO SOME INFORMAL CONSULTATION. BUT I DO NOT
KNOW OF ANY SPECIFIC PURCHASE THAT WAS TURNED DOWN.

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PAGE 03 STATE 191063

I THINK IT IS PRETTY CLEAR FROM THE REPORT, AND I THINK IT
IS PRETTY CLEAR FROM ALL POLICY STATEMENTS, THAT REQUESTS
BY IRAN TO PURCHASE AMERICAN ARMS WERE REVIEWED SYMPATHETI-
CALLY. NO QUESTION ABOUT IT.

I THINK, BY WAY OF BACKGROUND, WE OUGHT TO REMEMBER THAT
IN THE WHOLE POST-WAR PERIOD, SINCE PRESIDENT TRUMAN, THE

SECURITY AND INDEPENDENCE OF IRAN HAS BEEN A MATTER OF CON-
CERN TO THE UNITED STATES, AND WITH EVERY ADMINISTRATION
SINCE THEN.

Q. WHY AREN'T LOWER OIL PRICES PART OF THE QUID PRO QUO OF THIS MASSIVE ARMS SALE TO IRAN? WHAT DO WE GET OUT OF IT, EXCEPT MONEY FOR DEFENSE CONTRACTORS?

A. WE GET MORE THAN THAT. IRAN IS IN A REGION IN THE WORLD IN WHICH WE HAVE INTERESTS, AND IT CERTAINLY IS IN OUR INTERESTS TO STRENGTHEN IRAN'S ABILITY TO DEFEND ITSELF. AND BY DOING SO, WE BELIEVE THAT WE REDUCE THE RISK OF CONFLICT IN THAT REGION.

Q. BUT AREN'T THE AMERICAN PEOPLE PAYING FOR THESE ARMS PURCHASES BY CONTINUING IRANIAN PRESSURES FOR HIGHER OIL PRICES? WHY DON'T WE EVER APPROACH THEM -- OR DO WE -- TO BRING THOSE PRICES DOWN, SO IT IS MORE OF A QUID PRO QUO ARRANGEMENT?

A. YOU COULD ARGUE ABOUT THE WHOLE QUESTION OF THE INCREASED PRICES OF RAW MATERIALS IN THE PAST FEW YEARS. IN FACT, OUR POSITION ON INCREASED PRICES OF OIL BY OPEC, AND THE FACT THAT WE HAVE FELT THEY ARE UNJUSTIFIED IS A MATTER OF RECORD. AND WE HAVE REMAINED IN CLOSE CONTACT WITH ALL OF THE MAJOR OIL PRODUCING STATES, AND INDICATED TO THEM HOW WE FEEL ABOUT IT.

Q. WELL, YOU JUST TOLD HENRY THAT YOU KNOW OF NO INSTANCE WHERE IRAN WAS EVER TURNED DOWN ON AN ARMS PURCHASE. WHAT I AM ASKING IS, WHY DON'T WE USE THESE ARMS REQUESTS AS A LEVER TO TRY TO GET SOME LEVERAGE OVER OIL PRICES? OR AT LEAST, WHAT IRAN DOES WHEN IT GETS INTO AN OPEC MEETING. LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 04 STATE 191063

THE SAUDIS, WE KNOW -- OR AT LEAST WE ARE LED TO BELIEVE --TRY TO HOLD THE LINE. IRAN IS THE PRIME FORCE FOR HIGHER OIL PRICES. WHY ISN'T IT PART OF OUR POLICY TO USE THE ARMS SALES AS PART OF THE DEAL, IF YOU WOULD, IF THAT IS NOT A DIRTY WORD, TO TRY TO KEEP OIL PRICES TO CONSUMERS DOWN?

A. I THINK THE QUESTION OF THE SECURITY AND INDEPENDENCE OF IRAN AND THE QUESTION OF PROVIDING, OF SELLING IT THE MILITARY EQUIPMENT IT THINKS IT NEEDS FOR ITS OWN DEFENSE IS IN THE NATIONAL INTEREST OF THE UNITED STATES. AND, AT THE SAME TIME, WE PURSUE THE EFFORTS TO BRING OIL PRICES DOWN.

Q. WITH IRAN?

A. WITH ALL THE MEMBERS OF OPEC.

Q. DO WE EVER IN OUR HEAD-TOHEAD, AND WHEN THE SECRETARY GOES THERE--BY THE WAY, CAN WE EXPECT THAT IN HIS PRIVATE

MEETINGS WITH THE SHAH, HE WILL PUT IN A PITCH FOR LOWER OIL PRICES?

A. I AM NOT GOING TO COMMENT SPECIFICALLY ON PRIVATE CONVERSATIONS, BUT I WILL SAY IN GENERAL THAT ALL MEMBERS OF OPEC, ALL OIL PRODUCING COUNTRIES, KNOW OUR POSITION ON OIL PRICES, BOTH PRIVATELY AND PUBLICLY.

Q. WAS THE COVERT ARMS AID TO THE KURDS PART OF THE UNLIMITED ARMS SALES TO THE IRANIANS?

A. I THINK THE WHOLE QUESTION OF KURDISTAN IS CERTAINLY SEPARATE FROM THE CONTEXT OF THIS QUESTION AND THE SENATE REPORT. I DO NOT BELIEVE THAT THE SENATE REPORT REFERRED IN ANY WAY TO KURDISTAN.

Q. THE SENATE REPORT DIDN'T, BUT IT HAS BEEN REPORTED THAT THE ARMS SUPPLIES TO THE KURDS WERE INITIATED AT THE REQUEST OF THE SHAH MADE IN THE '72 MEETING WITH NIXON ON HIS WAY BACK FROM RUSSIA. SO IT WOULD SEEM TO COME OUT OF THE SAME AGREEMENT. IT LOOKS LIKE IT, AND I AM WONDERING LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 05 STATE 191063

IF IN FACT THAT IS THE CASE.

A. I DO NOT THINK THE PROBLEM OF THE KURDS IS RELATED TO THE CONTEXT OF THE REPORT ISSUED BY THE HUMPHREY COMMITTEE.

Q. EXCUSE ME. WAS THIS RELATED? I AM NOT ASKING ABOUT THE SENATE REPORT. I AM ASKING WHETHER OR NOT THE ARMS AID TO THE KURDS WAS PART OF THE SAME AGREEMENT?

A. THE QUESTION IS ABOUT OUR POLICY OF ARMS SALES TO IRAN, WHICH THE SENATE COMMITTEE REPORTED ON. AND THE CONTEXT OF OUR OVER-ALL CONCERN OVER THE SECURITY OF IRAN IS DATED FOR THE LAST 30 YEARS, AND IT IS NOT TIED TO ANY OTHER SPECIFIC ACTIONS THAT MAY OR MAY NOT HAVE BEEN TAKEN IN THE AREA.

Q. THE ARMS AID TO THE KURDS WAS UNRELATED TO THE ARMS SALE TO IRAN?

A. I WOULD SAY THAT THE KURDISH QUESTION IS UNRELATED TO THE OVERALL CONTEXT OF THE POLICY THAT I HAVE DISCUSSED

THIS MORNING.

Q. DOES ANY COUNTRY IN THE AREA POSE WHAT YOU WOULD CONSIDER A LIVE THREAT TO THE SECURITY OF IRAN NOW IN MID-1976, CONSIDERING ALL THE ARMS WE HAVE SHIPPED TO THEM?

A. THERE ARE POTENTIAL THREATS.

Q. I KNOW SOUTH YEMEN IS A THREAT TO SAUDI ARABIA.

A. I WOULD REMIND YOU THAT WHAT INITIALLY PROMPTED THE TRUMAN ADMINISTRATION'S CONCERN WAS THE SOVIET THREAT.

Q. THAT WAS A LONG TIME AGO. UNLESS YOU WANT TO SAY WE ARE ARMING THE IRANIANS NOW BECAUSE OF THE CONTINUING SOVIET THREAT.

A. I AM NOT GOING TO TRY TO DEFINE SPECIFICALLY THE THREATS ARE TO IRAN. BUT IRAN IS AN IMPORTANT COUNTRY AND LIMITED OFFICIAL USE
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PAGE 06 STATE 191063

I THINK THERE HAS BEEN A CONSISTENT POLICY OF OUR BEING CONCERNED ABOUT THEIR INDEPENDENCE AND SECURITY, AND HELPING THEM BOTH IN ECONOMIC AREAS AND TECHNICAL AREAS AS WELL AS IN SECURITY AREAS.

Q. IS THE SECURITY THREAT INTERNAL OR EXTERNAL, OR BOTH? ARE WE TRYING TO KEEP THE SHAH ON THE THRONE, OR IS IT AN EXTERNAL THREAT?

A. EXTERNAL THREAT.

Q. NOT INTERNAL. WE DON'T CARE ABOUT HELPING HIM BEAT BACK ANY RADICAL INSURGENCY, DO WE?

A. THAT IS FOR THE SHAH TO DETERMINE.

Q. HOW HE USES THE ARMS?

A. NO. THE QUESTION OF INTERNAL SECURITY OF IRAN IS A QUESTION FOR THE IRANIANS.

Q. ASSISTANT SECRETARY ATHERTON WAS BEFORE THE FOREIGN RELATIONS COMMITTEE OF THE SENATE TODAY WITH RESPECT TO THE ISRAELI AND EGYPTIAN ATOMIC REACTORS. CAN YOU TELL US HOW THOSE NEGOTIATIONS ARE PROCEEDING?

A. MY UNDERSTANDING IS THAT FOR ALL INTENTS AND PURPOSES, THE NEGOTIATIONS ARE SUBSTANTIALLY COMPLETED, BUT THERE ARE STILL A FEW DETAILS TO BE WORKED OUT.

Q. WHEN WOULD YOU EXPECT THAT THEY WOULD BE SUBMITTED TO CONGRESS? THEY DO HAVE TO BE SUBMITTED, DO THEY NOT?

A. THEY FIRST HAVE TO BE INITIALLED AND THEN THEY HAVE TO BE SUBMITTED TO THE PRESIDENT FOR HIS APPROVAL. IT IS MY UNDERSTANDING THAT THEY ARE THEN SENT TO THE CONGRESS

FOR A 60-DAY LEGISLATIVE REVIEW PERIOD. I BELIEVE I AM
CORRECT IN SAYING THAT UNDER EXISTING LEGISLATION, THE
CONGRESS COULD DISAPPROVE SUCH AGREEMENTS BY A CONCURRENT
RESOLUTION OF BOTH HOUSES WITHIN 60 DAYS OF THEIR SUB-
MISSION. I THINK THAT IS BASICALLY CORRECT.

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PAGE 07 STATE 191063

Q. I THINK THERE WAS A STORY SAYING THAT ISRAEL HAD
INITIALLED SOMETHING TO DO WITH THIS REACTOR. HAS THE
ISRAELI PART BEEN FINISHED NOW?

A. I THINK THE ISRAELI PART HAS BEEN SUBSTANTIALLY
FINISHED.

Q. HAVE THEY INITIALLED IT?

A. I AM NOT SURE WHETHER THEY HAVE ACTUALLY INITIALLED
IT OR NOT, BUT YOU RECALL WHEN WE ORIGINALLY TALKED
ABOUT THIS, THAT THE TWO WERE GOING TO BE CONSIDERED AND
SUBMITTED IN TANDEM -- IN OTHER WORDS, TOGETHER.

Q. SO IT IS WAITING FOR THE EGYPTIANS TO FINISH UP THEIR
PART OF IT.

A. ON BACKGROUND, I THINK THAT IS CORRECT. END BACKGROUND

Q. HAS THE FORD ADMINISTRATION DECIDED TO SELL MAVERICKS
AND LASER BOMBS TO SAUDI ARABIA?

A. I DO NOT HAVE ANYTHING ON THAT. BUT I HAVE SEEN THOSE
REPORTS.

Q. THE REPORTS HAVE BEEN CURRENT FOR OVER TWO WEEKS.

A. I THINK THAT THE ITEMS YOU MENTIONED ARE SOMETHING
THAT HAS BEEN ON SIDEWINDERS, AND I KNOW THAT NO DECISION
ON THAT HAS BEEN MADE YET.

Q. SPECIFICALLY, COULD YOU CHECK INTO THE OTHER QUESTION?

A. LET ME CHECK INTO THAT.

Q. IT HAS BEEN ALLEGED FOR SOME TIME NOW THAT THESE OTHER
THINGS WERE ON THE SHOPPING LIST AS WELL.

A. LET ME CHECK INTO THAT.

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PAGE 08 STATE 191063

Q. A NUMBER OF LEBANESE WHO HAVE COME TO THE UNITED STATES SAID THAT THEIR WAY HAS BEEN PAVED WITH PROBLEMS AND TROUBLES AND BUREAUCRATIC SNARLS AND RED TAPE, AND THE STATE DEPARTMENT HAS DONE VERY LITTLE TO HELP THEM. DO YOU HAVE ANYTHING ON THE SITUATION OF LEBANESE REFUGEES?

A. THIS WAS THE WHOLE POINT OF MR. HABIB'S TESTIMONY LAST WEEK. HE GAVE A VERY COMPLETE STATEMENT ON THAT AND I REFER YOU TO HIS STATEMENT WHICH WE HAVE IN THE OFFICE.

Q. THE SECRETARY EXPRESSED HIS DEEP HUMANITARIAN CONCERN FOR CIVIL RIGHTS AND CIVIL LIBERTIES IN COUNTRIES ALLIED WITH THE UNITED STATES. HAS THIS CONCERN BEEN EXPRESSED TO THE IRANIANS ABOUT THE ACTIVITIES OF ZQVAT AND OTHER THINGS GOING ON IN IRAN?

A. I DO NOT KNOW IF WE HAVE EVER HAD ANY DIRECT CONTACTS WITH IRAN ON THIS SUBJECT. OUR GENERAL POSITION

IS CERTAINLY VERY WELL KNOWN, AS YOU HAVE CITED YOURSELF.

Q. COULD YOU CHECK THAT PLEASE, MR. FUNSETH?

A. YES. I WILL LOOK INTO IT.

Q. GOING BACK TO BARRY'S ORIGINAL SERIES OF QUESTIONS, ARE YOU THEN, IN CONNECTION WITH OIL AND ARMS FOR IRAN, ARE YOU CLEARLY SEPARATING THE TWO AND SAYING THESE THINGS DO NOT COME UP IN TANDEM DURING AMERICAN-IRANIAN NEGOTIATIONS? BECAUSE YOU KEEP PUTTING AMERICA'S DISPLEASURE WITH HIGH PRICES IN AN OPEC CONTEXT. I AM ASKING, PICKING UP BARRY'S QUESTION, DO THESE THINGS COME UP IN TANDEM WHEN THERE ARE DIRECT IRANIAN-AMERICAN NEGOTIATIONS, WHEN THE SUBJECT AT ISSUE IS ARMS FROM THE IRANIAN POINT OF VIEW.

A. I DO NOT KNOW THAT THERE HAS EVER BEEN ANY DIRECT LINKAGE, BUT WE HAVE CLOSE, FRIENDLY RELATIONS WITH IRAN, AS WE DO WITH OTHER MEMBERS OF OPEC, LIKE VENEZUELA AND SAUDI ARABIA, FOR EXAMPLE. WE CERTAINLY STATE OUR VIEW VERY CLEARLY TO THESE COUNTRIES ON AN INDIVIDUAL BASIS
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PAGE 09 STATE 191063

AS WELL AS ON A COLLECTIVE BASIS, PRIVATELY AND PUBLICLY.

Q. SO THAT THE REQUEST FOR ARMS TO THE DEGREE THAT THE IRANIANS WANT THEM -- THERE IS NO RELATION FROM THE AMERICAN POINT OF VIEW TO WHATEVER THE IRANIANS CHARGE US FOR OIL?

A. I AM NOT CONCEDING THAT THERE IS ANY LINKAGE. I THINK THAT IT IS IMPORTANT TO RECOGNIZE THAT VENEZUELA, SAUDI ARABIA AND IRAN -- JUST TO NAME THREE MAJOR PRODUCERS -- AND ALSO CLOSE FRIENDS OF THE UNITED STATES. WE HAVE A DETAILED RELATIONSHIP WITH THEM AND COMMON INTERESTS BOTH IN DEFENSE AND ECONOMIC INTERDEPENDENCE. WE DISAGREE ON THE QUESTION OF THE PRICE OF OIL. BUT THIS WHOLE PROBLEM OF THE PRICES OF COMMODITIES CERTAINLY IS SOMETHING THAT IS JUST NOT A FEATURE OF U.S.-IRANIAN BILATERAL RELATIONS; IT IS A CENTRAL ELEMENT OF THE NORTH-SOUTH DIALOGUE; IT IS SOMETHING THAT HAS BEEN CONSIDERED AT UNCTAD, FOR EXAMPLE, AND IT IS A CONTINUING PROBLEM.

Q. YOU CAN'T PUT SAUDI ARABIA AND IRAN IN THE SAME BAG WHEN IT COMES TO OIL PRICES. UNLESS WE ARE BEING MISLED AND THE WHOLE WORLD IS BEING MISLED, SAUDI ARABIA GOES INTO THESE OPEC MEETINGS AND TRIES TO HOLD THE LINE. AND THE CLASSIC BATTLE, AS WE ARE SUPPOSED TO BELIEVE, IS BETWEEN SAUDI ARABIA AND IRAN.

SO ARE YOU SAYING, I SUPPOSE, THAT IF WE WEREN'T SUCH GOOD FRIENDS WITH IRAN OIL PRICES WOULD BE EVEN HIGHER?

A. NO, I AM NOT SAYING THAT THERE IS ANY LINKAGE BETWEEN THAT. THE PRICE OF OIL IS AN IMPORTANT PROBLEM, AND I AM NOT MINIMIZING IT.

Q. BUT I MEAN --

A. BUT IT IS ALSO AN IMPORTANT ELEMENT -- WELL, IT IS PART OF THE NORTH-SOUTH PROBLEM, IF YOU HAVE BEEN FOLLOWING THE WHOLE --

Q. IS IRAN A THIRD-WORLD STATE? IS THAT WHAT YOU ARE LIMITED OFFICIAL USE
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PAGE 10 STATE 191063

SAYING, THEY ARE AN UNDEVELOPED, SUFFERING STATE, ON A LINE WITH CHAD AND UPPER VOLTA?

A. THEY ARE NOT CERTAINLY AT THAT LEVEL, BUT THEY ARE A DEVELOPING COUNTRY.

Q. YOU KEEP SAYING, "I'M NOT SAYING THERE'S ANY LINKAGE; I'M NOT CONCEDING LINKAGE." YOU'RE JUST SAYING FLAT-OUT THERE IS ABSOLUTELY NO LINKAGE WHATSOEVER BETWEEN THE TWO? JUST SO WE TAKE CARE OF ALL THE BLURS, PLEASE.

A. WE HAVE BEEN GOING ON FOR SOME TIME, AND I THINK I WILL JUST STAND WHERE I AM.

Q. WE'VE BEEN GOING ON FOR SOME TIME, AND YOU ARE

BLURRING, AND YOU ARE ANSWERING ELIPTICALLY. MY SPECIFIC QUESTION IS TO CLARIFY YOUR OWN AMBIGUITIES HERE.

"I'M NOT CONCEDED ANY LINKAGE; I'M NOT SAYING ANY LINKAGE." I'M ASKING YOU, ARE YOU SAYING THERE IS FLAT-OUT NO LINKAGE WHATSOEVER BETWEEN IRANIAN REQUESTS FOR ARMS AND OUR DESIRE TO SEE OIL PRICES LOWERED?

A. AND I AM PUTTING IT IN A LARGER CONTEXT, AND THAT IS WHY I WAS TRYING TO REFER TO OTHER COUNTRIES WHICH ARE ALSO MAJOR OIL PRODUCERS AND REFERRING TO OTHER COUNTRIES WHO ARE SUPPLIERS OF RAW COMMODITIES AND TRYING TO POINT OUT THAT THIS IS A LARGER PROBLEM AND IT IS JUST NOT CENTRAL TO OUR BILATERAL RELATIONSHIP WITH IRAN.

Q. THERE HAVE BEEN REPORTS THAT THE IRANIANS HAVE BEEN SEEKING TO WORK OUT AN ARRANGEMENT WITH ARMS SUPPLIERS IN THIS COUNTRY TO BARTER THEIR CRUDE OIL FOR ARMS EQUIPMENT. HAVE YOU ISSUED A COMMENT IN THE LAST FEW WEEKS ON HOW THE U.S. GOVERNMENT REGARDS THIS PROSPECT?

A. WE ARE AWARE THAT THERE HAVE BEEN SUCH TALKS GOING ON. I DO NOT KNOW THE PRESENT STATE OF THESE TALKS. OBVIOUSLY ANYTHING THAT WOULD INVOLVE ARMS PURCHASES WOULD HAVE TO BE CONSISTENT WITH OUR OWN ARMS SALES POLICY.

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PAGE 11 STATE 191063

THE QUESTION OF WHAT FORM THAT COOPERATION WOULD TAKE -- WE WOULD HAVE TO SEE HOW IT COMES OUT IN TERMS OF INVESTMENT IN AMERICAN COMPANIES, ETC.

Q. I THINK BERNIE'S QUESTION IS, IS A BARTER DEAL ON THE VERGE OF COMPLETION AS FAR AS YOU KNOW?

A. THAT ISN'T MY IMPRESSION. BUT I DO KNOW THAT THERE HAVE BEEN ACTIVE TALKS.

Q. WE KNOW THERE HAVE BEEN ACTIVE TALKS. WE ALSO KNOW THERE HAS BEEN ACTIVE CONSIDERATION FOR NUCLEAR REACTORS FOR IRAN. SIMILARLY, CAN YOU TELL US (INAUDIBLE)

A. THAT WAS DISCUSSED AT THE LAST JOINT COMMISSION MEETING, I BELIEVE, A YEAR AGO.

Q. YES, BUT, YOU KNOW, WITH THE SECRETARY GOING TO IRAN THAT WOULD BE A NICE SURPRISE.

A. IT WOULD NOT BE A SURPRISE.

Q. WELL, I MEAN A NICE THING TO THROW ON FOR MAKING THE

TRIP HAVING ACCOMPLISHED SOMETHING SPECIFIC. SO IS THAT WHAT YOU ARE GOING TO DROP ON US? ARE THEY GOING TO ANNOUNCE THE NUCLEAR DEAL WHEN HE GETS TO TEHRAN?

A. I DO NOT KNOW. IT IS CERTAINLY A SUBJECT OF INTEREST AND SOMETHING WE HAVE BEEN TRYING TO WORK OUT WITH THE IRANIANS FOR SOME MONTHS.

Q. IS IT ON THE VERGE OF COMPLETION?

A. I DO NOT KNOW THE STATUS OF IT.

Q. BOB, THERE ARE REPORTS IN THE PAPER THIS MORNING THAT THERE ARE MORE THAN 25,000 AMERICANS IN IRAN IN CONNECTION WITH U.S. WEAPONS SYSTEMS THERE, PEOPLE WHO WOULD BE NEEDED TO REMAIN IN IRAN IN THE EVENT OF HOSTILITIES. ARE THERE ANY PROVISIONS OR LAWS GOVERNING THE CONDUCT OF AMERICAN CITIZENS WHO ARE TAKING PART IN OPERATION OR LIMITED OFFICIAL USE
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PAGE 12 STATE 191063

MAINTENANCE OF WEAPONS IN A FOREIGN WAR?

A. I WOULD HAVE TO LOOK INTO THAT. I THINK THESE PEOPLE ARE PURELY CIVILIANS THAT ARE OVER THERE IN A TECHNICAL CAPACITY.

Q. WELL, MERCENARIES ARE CIVILIANS ALSO.

A. WE ARE NOT TALKING ABOUT MERCENARIES. WE ARE TALKING ABOUT TECHNICAL ADVISERS ON EQUIPMENT, AND PEOPLE WHO TRAIN.

Q. WE ARE TALKING ABOUT PEOPLE WHO PERFORM MAINTENANCE ALSO. I JUST WONDER AT WHAT POINT THE LINE IS CROSSED AND AT WHAT POINT THE DEPARTMENT BECOMES INVOLVED IN THE ROLE OF THESE PEOPLE.

A. I AM NOT AWARE THAT THERE IS ANY ESTIMATE THAT THERE IS AN IMMINENT THREAT OF HOSTILITIES INVOLVING IRAN.

Q. BUT WE ARE SELLING THEM TEN BILLIONS OF DOLLARS WORTH OF WEAPONS TO THEM BECAUSE OF A POTENTIAL THREAT.

A. BUT WE ARE SELLING WEAPONS TO OTHER COUNTRIES TOO, AND WHEREVER WE SELL WEAPONS THERE IS A REQUIREMENT FOR THIS SORT OF TECHNICAL ADVICE.

Q. YES, THERE IS A REQUIREMENT. I AM TRYING TO FIND OUT IF THE DEPARTMENT HAS ANY PROVISION THAT GOVERNS THE CONDUCT OF AMERICANS WHO FIND THEMSELVES IN A POSITION WHERE THEY ARE REQUIRED TO BY CONTRACT OPERATE, MAINTAIN,

PERFORM REPAIRS ON WEAPONS FOR ANOTHER COUNTRY IN A WAR ZONE.

A. LET ME SEE IF I CAN GET AN ANSWER TO THAT.

Q. CAN WE RUN THROUGH THE PLO QUESTIONS THAT YOU TOOK YESTERDAY, THAT YOU TOOK FRIDAY?

A. THE ONES WE POSTED THIS MORNING?

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PAGE 13 STATE 191063

Q. DID YOU POST THEM THIS MORNING? I'M SORRY?

A. WE POSTED A LONG LIST THIS MORNING, YES, POSTED ABOUT TEN OR ELEVEN. (RESPONSES TO QUESTIONS ON THE PLO TAKEN AT JULY 30 PRESS BRIEFING SENT SEPTTEL.)

Q. IS THE DEPARTMENT'S POSITION THEN THAT THERE IS NO OBJECTION TO A BARTER OF OIL FOR WEAPONS? THEY DON'T REALLY CARE HOW THE WEAPONS ARE PAID FOR?

A. I CANNOT REALLY ANSWER THAT QUESTION ABOUT OUR ATTITUDE UNTIL WE SEE HOW THE AGREEMENT WORKS OUT.

Q. BOB, ISN'T IT A FACT THAT WEAPONS --

A. THE QUESTION OF ANY WEAPONS TRANSFER --

Q. -- TRANSFER ABOVE A CERTAIN MAGNITUDE (INAUDIBLE)

A. THAT IS WHAT I SAID EARLIER. AND THAT HOLDS.

Q. SO YOU HAVE TO BE INVOLVED IN ONE WAY OR ANOTHER --

A. IF IT INVOLVES WEAPONS.

Q. IF IT IS A QUESTION OF BARTER.

A. YES.

Q. SO WHAT IS YOUR ATTITUDE?

Q. ONCE THE SALE OF THE WEAPONS HAS BEEN APPROVED, WHAT CONTROL DOES THE STATE DEPARTMENT HAVE OVER THE TERMS OF PAYMENT?

A. BUT THAT IS NOT THE ISSUE. THE ISSUE, WHICH WE FOLLOW ON A CASE-BY-CASE BASIS WITH EVERY COUNTRY, IRAN AS WELL AS OTHERS, IS THAT WHEN AN APPLICATION IS MADE OR A PROPOSAL MADE TO PURCHASE WEAPONS -- IT IS EXAMINED TO MAKE SURE

IT IS CONSISTENT WITH OUR OWN NATIONAL INTERESTS -- THAT
IT IS BEING SOLD OR THAT WE HAVE A JUDGMENT THAT IT IS
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PAGE 14 STATE 191063

NEEDED FOR THE PURPOSES STATED. THAT IS THE CENTRAL ISSUE
OF A WEAPONS TRANSFER.

Q. YES, BUT THEN DOES THE DEPARTMENT ALSO LOOK INTO HOW
THE PAYMENT IS GOING TO BE ACHIEVED IN EACH CASE? I
MEAN, IS A DETERMINATION MADE IN EACH CASE AS TO WHETHER
OR NOT A SPECIFIC FORM OF PAYMENT IS IN THE NATIONAL
INTEREST ALSO? I MEAN WHICH BANK IT IS ON OR WHETHER
IT IS IN POUNDS STERLING OR DOLLARS?

A. I AM NOT SURE I UNDERSTAND WHAT IS BEHIND YOUR
QUESTION. I WOULD THINK BASICALLY THAT WOULD BE A
TECHNICAL ISSUE. ONCE YOU HAVE DECIDED IN PRINCIPLE
TO APPROVE THE ARMS SALE, THE QUESTION OF PAYMENT --

Q. THEN ISN'T PAYING IN OIL A TECHNICAL ISSUE ALSO?
IT'S THE SAME THING AS POUNDS STERLING, BECAUSE THEY ARE
CONVERTIBLE.

A. BUT I DO NOT KNOW THAT THAT IS NECESSARILY HOW IT
WOULD UNFOLD.

Q. WOULD YOU TAKE THE QUESTION, BECAUSE I THINK THE
POINT THAT IS BEING MISSED IS THAT THE IRANIANS HAVE BEEN
COMPLAINING THAT THEY HAVEN'T BEEN ABLE TO SELL AS MUCH
CRUDE OIL AS THEY WOULD LIKE. IF THEY WERE ABLE TO WORK
OUT A BARTER ARRANGEMENT, THIS WOULD KEEP THE OIL
PRICE PRESUMABLY HIGHER THAN IT MIGHT BE IF THE MARKET
WORKED ITS OWN WAY. THE IRANIANS HAVE REDUCED THEIR
CRUDE OIL PRICE THIS YEAR. AND THE QUESTION THEN IS,
DO YOU WANT THE AMERICAN ARMS COMPANIES, IN EFFECT, TO
BE SUBSIDIZING THE IRANIAN OIL INDUSTRY?

Q. CAN YOU CONFIRM OFFICIALLY THAT SAUDI ARABIA HAS
ACCEPTED TO PAY FOR THE JORDANIAN HAWKS?

A. NO, I CANNOT. I KNOW THAT SOME PROGRESS IS BEING
MADE ON THIS WHOLE QUESTION OF JORDANIAN PURCHASE OF
HAWKS. BUT AS FAR AS I KNOW NO FINAL AGREEMENT HAS BEEN
MADE.

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PAGE 15 STATE 191063

Q. THERE WAS SOME CONGRESSIONAL DISTURBANCE ORIGINALLY.
IS CONGRESS PRETTY MUCH IN HAND NOW, OR DO YOU

ANTICIPATE ANY DIFFICULTIES?

A. I AM NOT AWARE OF ANY DIFFICULTIES WITH CONGRESS
OR DISAGREEMENT ON THIS AT THIS POINT.

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197608103/baaaepk.tel
Line Count: 657
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 12
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 20 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 APR 2004 by BoyleJA>; APPROVED <26 AUG 2004 by ShawDG>
Review Markings:

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EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DEPARTMENT PRESS BRIEFING - AUGUST 2, 1976:
TAGS: PFOR, SOPN, US
To: AMMAN
BEIRUT
DAMASCUS
CAIRO
TEL AVIV
JIDDA

ALGIERS
GENEVA
KUWAIT
DHAHRAN
JERUSALEM
KHARTOUM
MANAMA
TEHRAN
TRIPOLI
RABAT
LONDON
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006